STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of Telecom Action Entertainment, William Marlin & Co., William B. Marlin, William Davis, Dave Anthony, and their officers, Directors, Agents and Employees, Respondents))) CEASE AND DESIST ORDER,) NOTICE OF CIVIL PENALTY,) AND NOTICE OF RIGHT TO) REQUEST A HEARING)

THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA TO TELECOM ACTION ENTERTAINMENT, WILLIAM MARLIN & CO., WILLIAM B. MARLIN, WILLIAM DAVIS, DAVE ANTHONY, AND THEIR OFFICERS, DIRECTORS, AGENTS AND EMPLOYEES:

The North Dakota Securities Commissioner has a reasonable basis to believe that the Respondents have engaged in, are engaging in, or are about to engage in, acts, practices or transactions, as more fully described below, which are prohibited under Chapter 10-04 of the North Dakota Century Code (N.D.C.C.). It is necessary and appropriate in the public interest and for the protection of investors to restrain these acts, practices, or transactions of the Respondents.

1. The Respondents have offered for sale and/or sold investment(s) to at least one resident of North Dakota in violation of §10-04-04 N.D.C.C. The subject investment(s) are securities as defined in §10-04-02(15) N.D.C.C.

- 2. The subject investment(s) have not been registered with the Securities Commissioner under §10-04-07; §10-04-07.1; §10-04-08; or §10-04-08.1 N.D.C.C.; are not exempt securities under §10-04-05 N.D.C.C; and have not been offered for sale or sold through exempt transactions under §10-04-06 N.D.C.C.
- The Respondents have not registered as agents in violation of §10-04-10(2)
 N.D.C.C.
- 4. The Respondents have engaged in a scheme or artifice to defraud investors or potential investors, or have otherwise engaged in fraudulent or deceptive practices in connection with the offer and/or sale of investments in North Dakota in violation of §10-04-15 N.D.C.C.

NOW, THEREFORE, IT IS ORDERED, pursuant to §10-04-16 N.D.C.C., that the Respondent shall immediately CEASE AND DESIST:

- From offering for sale or selling in North Dakota the subject investment, or any other investment interest however denominated, unless and until such investment interests have been registered with the Securities Commissioner.
- From offering for sale or selling investments in North Dakota unless and until they have registered with the Securities Commissioner as dealers or agents.
- 3. From engaging in a scheme or artifice to defraud investors or potential investors, or from engaging in any fraudulent or deceptive practices related to the offer and/or sale of investments in North Dakota.

This order does not prohibit the offer or sale of securities through exempt securities transactions under §10-04-06 N.D.C.C., nor does it prohibit <u>registered</u> dealers and agents from offering or selling exempt securities under §10-04-05 N.D.C.C.

YOU ARE NOTIFIED that any willful violation of this order is a Class B Felony pursuant to §10-04-18(1) N.D.C.C. Pursuant to §12.1-32-01 N.D.C.C., a Class B Felony is punishable by a \$10,000 fine and 10 years' imprisonment.

NOTICE OF CIVIL PENALTIES

YOU ARE NOTIFIED that the above-cited violations are sufficient grounds for the imposition of civil penalties pursuant to §10-04-16(1) N.D.C.C. The Securities Commissioner does not herein assess a civil penalty, but the Commissioner expressly reserves the authority to assess civil penalties, not to exceed \$10,000 per violation, regarding the violations outlined above, any other violations subsequently discovered, or any future securities violations or violations of this order.

NOTICE OF RIGHT TO REQUEST HEARING

YOU ARE NOTIFIED that pursuant to §10-04-12 N.D.C.C. you may request a hearing before the Securities Commissioner if such a request is made in writing WITHIN TEN (10) DAYS AFTER THE RECEIPT OF THIS ORDER. The respondents have the right to be represented by legal counsel at the hearing.

IN TESTIMONY WHEREOF, witness my hand and seal this 23 day of

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Karen J. Tyler, Securities Commissioner Office of the Securities Commissioner 600 East Boulevard Ave. State Capitol - Fifth Floor Bismarck, ND 58505-0510 (701) 328-2910

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In the Matter of Telecom Action Entertainment, William Marlin & Co., William B. Marlin, William Davis, Dave Anthony, and their Officers, Directors, Agents and Employees,))) AFFIDAVIT OF SERVICE) BY MAIL)
Respondents)

I, Jacqui Ferderer, being first duly sworn, state that I am a citizen of the United States over the age of twenty-one years and not a party to or interested in the above-entitled proceeding.

On, May 23 , 2002, I deposited in the Central Mailing Bureau of the United States Post Office Department in the State Capitol in Bismarck, North Dakota, true and correct copies of the following document:

CEASE AND DESIST ORDER, NOTICE OF CIVIL PENALTY, AND NOTICE OF RIGHT TO REQUEST A HEARING

A copy of the above document was securely enclosed in an envelope with postage prepaid, sent via Certified U. S. mail, return receipt requested, and addressed to each of the following:

Telecom Action Entertainment 12021 Wilshire Blvd., Suite 434 Los Angeles, CA 90025

William B. Marlin William Marlin & Co. 12021 Wilshire Blvd., Suite 434 Los Angeles, CA 90025

Dave Anthony **Telecom Action Entertainment** 12021 Wilshire Blvd., Suite 434 Los Angeles, CA 90025

William Davis **Telecom Action Entertainment** 12021 Wilshire Blvd., Suite 434 Los Angeles, CA 90025

To the best of my knowledge, information, and belief, the address given above is the last known address of the party intended to be served.

Subscribed and sworn to before me this <u>3cd</u> day of

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DIANE B.G. KAMBEITZ Burleigh County, State of North Dakota My Commission Expires April 25, 2006 STATE OF NORTH DAKOTA Notary Public Seal

Diane B. G. Kambeitz, Notary Public Burleigh County, North Dakota My commission expires 4/25/2006